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DIRECTORATE OF INTELLIGENCE

# **MEMORANDUM**

The Situation in Vietnam

**Top Secret** 114

22 June 1967

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#### HIGHLIGHTS

Heavy fighting was reported on 22 June in Kontum Province between US infantrymen and elements probably of North Vietnam's 24th Regiment. In the political sphere, Premier Ky reportedly plans to remove General Loan as head of the Military Security Service.

I. The Military Situation in South Vietnam:
Heavy fighting was reported on 22 June in Kontum
Province between US infantrymen of Operation GREELEY
and Communist forces probably subordinate to the NVA

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More "regroupees"

have arrived in the Mekong Delta to reinforce the Viet Cong leadership (Paras. 8-10).

Premier Ky said he will remove General Loan as the head of the Military Security Service as the first step in promoting fair and free elections (Paras. 1-3). Chief of State Thieu believes that Ky is certain to win the election; he may resign as Chief of State in protest of Ky's tactics (Para. 4).

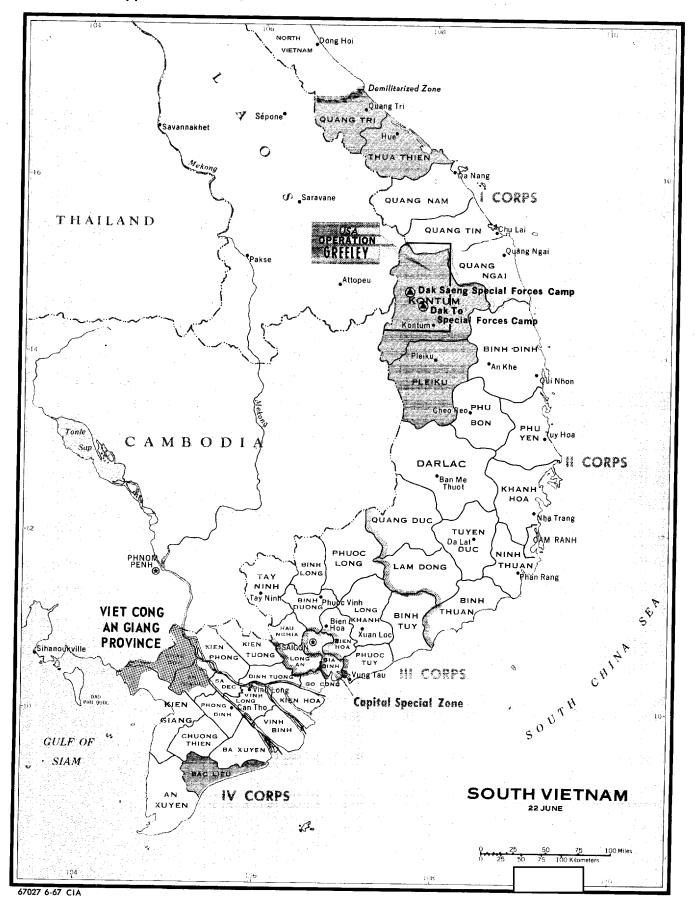
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IV. Other Communist Military Developments: There is nothing of significance to report.

V. Communist Political Developments: There is nothing of significance to report.

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## I. THE MILITARY SITUATION IN SOUTH VIETNAM

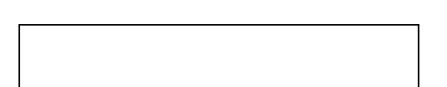
- l. Heavy fighting broke out in the mountainous area of central Kontum Province early on 22 June. A US infantry company patroling several miles southwest of Dak To as part of the newly initiated Operation GREELEY was surrounded by an estimated two-company-size Communist force. At least five US companies of reinforcements were helilifted into the battle area and in coordination with extensive air and artillery support were able to drive the enemy force back by late afternoon. Preliminary field reports indicate seven Americans killed, 33 wounded, and 24 missing. Communist losses are expected to be high as the result of the severe bombardments.
- 2. The newly reinforced North Vietnamese (NVA)

  together with another unidentified

  Communist regiment, may have recently completed preparations for a major offensive in Kontum Province.

  Elements of these two regiments were probably involved in the fighting on 22 June. Operation GREELEY is a sweep operation targeted against the 1,500-man 24th Regiment and three Viet Cong battalions totaling another 1,400 men which operate in central Kontum Province.
- 3. These Communist forces have recently intensified pressure against allied outposts and patrols near Dak To and earlier this week attacked the Dak To and Dak Saeng Special Forces camps with heavy mortar and rocket fire--the first reported enemy use of 122-mm. and 140-mm. rockets in South Vietnam's II Corps.
- 4. Increased enemy military activity is expected as the weather continues to deteriorate and Communist forces continue to strengthen, train, and plan for future offensive operations against allied targets.

22 June 1967



I-1

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	More "Regroupees" in the Mekong Delta	
25X1	8. More "regroupees" arrived in the Mekong Delta from North Vietnam early in June to reinforce the Viet Cong leadership there,  The most recent arrivals reportedly are being assigned as cadre to Viet Cong An Giang Province (composed of GVN Chau Doc Province and portions of GVN Kien Giang and An Giang provinces).	25) 25)
	9. The term "regroupees" normally refers to native South Vietnamese who served with the Viet Minh against the French and were moved to North Vietnam in	
	I-2	25X

1954-1955 in compliance with the Geneva Accords. It had been generally assumed that most of the regroupees suitable for further service had reinfiltrated to the South by 1964, although recently reported the arrival in the delta of cadre who had been in their early teens when regrouped and had recently completed training in the North. It is also possible that some Viet Cong cadre are currently being sent North for additional training in the North and then reinfiltrated.

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10. According to earlier reports, the appearance last April in the delta province of Bac Lieu of men who were young adolescents when regrouped and are now expected to serve the Viet Cong as platoon company commanders and political officers caused some resentment among the established Communist cadre in the province. The fact that, despite this, additional personnel are being sent to the delta area suggests that the Viet Cong are experiencing particularly difficult problems, at least in the An Giang area. This is borne out by other reports that low-level Viet Cong cadre in the province have been upgraded, sometimes indiscriminately, to fill higher positions.

22 June 1967

I-3

25X1

#### II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

1. Premier Ky told on 21
June that he will soon take a series of gradual steps
to tone down his ambitious campaign. He first will
remove General Loan as the head of the Military Secu-
rity Service (MSS), although Loan will remain as the
director general of the National Police. Ky said he
plans eventually to phase Loan out of political ac-
tivities and restrict him to the normal police func-
tions of security and counterintelligence against
the Viet Cong. Ky's rationale for restraint is that
he can win the election without pressure tactics,
that Loan's heavy-handedness is creating an adverse
reaction among potential voters, and that more sophis-
ticated psychological techniques will later be in-
jected into the campaign.

- 2. In addition, Ky revealed that he intends to offer GVN transportation and facilities, as well as equal time on the communications media, to all presidential candidates for their campaigns. Each candidate will also be able to exercise some control over newspaper articles proposed for censorship and to present his platform via the Saigon press community. Ky also intends to hold a meeting of all province and district chiefs in Saigon on 26 June in order to explain the election mechanism and the "absolute necessity" of a fair and free contest.
- 3. It remains to be seen how closely Ky will adhere to this new tack. Ky's concern with campaign activities on his behalf apparently extends only to General Loan. Ky gave no indication that he intended to curb his other organizations, such as the covert political action group. Moreover, Loan will retain control over the largest security apparatus, the one that is in direct contact with the people. No mention was made, either, of what might become of Mai Den's Overseas Security Section of the MSS, which performs a myriad of delicate political chores for Loan.

22 June 1967

II-1

## Chief of State Thieu's Latest Comments

4. Chief of State Thieu appears more and more to be a protest candidate, believing he cannot win the presidential election, but hoping that he can offset Ky's chances. Two days prior to the Ky interview above, Thieu told that he may resign as Chief of State before the campaign officially begins in early August as a public protest against the unfair campaign tactics of Ky and his staff. In Thieu's opinion, the widespread belief that the US supports Ky is an important psychological advantage which, when added to Ky's control over government's funds and administrative machinery, will probably win him the election. In any event, Thieu appears firmly committed to his present course of action, since, in his words, it is "too late" to compromise with Ky.

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22 June 1967

II-2

Next 1 Page(s) In Document Exempt

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